

Message Text

SECRET

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ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 NSCE-00 NSC-07 CIAE-00 INR-10

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3894

S E C R E T CARACAS 4538

LIMDIS

E.O. 11652: GDS

TAGS: ENRG

SUBJECT:

REF: CARACAS 3769, 4420, 4439

1. AS DEPARTMENT KNOWS: I HAVE BEEN MEETING SEPARATELY WITH EXECUTIVES OF U.S. OIL COMPANIES AFFECTED BY PRESIDENT PEREZ'S SPEECH OF APRIL 29, AS REPORTED REFTEL, IN AN ENDEAVOR TO ASCERTAIN THEIR POSITION. SEPTTEL WILL REPORT THIS MORNING'S CONVERSATION WITH PRESIDENT OF MENE GRANDE (GULF-CREOLE) LEWIS A RAMSEY.

2. A MAJOR PROBLEM WHICH OUR OIL COMPANY EXECUTIVES FACE HERE IS POTENTIAL ATTITUDE OF U.S. DEPARTMENT OF JUSTICE IN ITS ANTITRUST DIVISION.

3. IT IS MY CONSIDERED OPINION, IN VIEW OF THE FACT THAT THE PRESIDENT OF VENEZUELA HAS PUBLICLY NAMED TWO LARGE AMERICAN OIL COMPANIES AND BY INFERENCE LUMPED ALL OTHER AMERICAN OIL COMAPNIES OPERATING IN VENEZUELA AS ONE FOREIGN-OWNED INDUSTRY, THAT AT LEAST THEIR LOCAL EXECUTIVES SHOULD BE PERMITTED TO CONCERT WAYS AND MEANS OF MEETING THE ANNOUNCED POLICY OF NATIONALIZATION WITHOUT AN ADDITIONAL THREAT FROM OUR DEPARTMENT OF JUSTICE OF COLLUSION UNDER THE ANTITRUST ACTIVITIES

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OF THAT DEPARTMENT.

4. ACCORDINGLY (AND IN VIEW OF THE FACT THAT WE UNDERSTAND THAT SIMILAR EXEMPTIONS HAVE BEEN GRANTED TO U.S. OIL COMPANIES ENDEAVORING TO CONCERT A CONSTRUCTIVE POSITION IN THE MIDDLE EAST), I RECOMMEND THAT THE DEPARTMENT APPROACH THE ATTORNEY GENERAL WITH A DEFINITIVE REQUEST THAT HE EXEMPT U.S. OIL EXECUTIVES IN VENEZUELA AT LEAST FOR A PERIOD OF SIX MONTHS (CARACAS 4486), WHICH IS THE LIMIT OF TIME PLACED BY PRESIDENT PEREZ ON HIS COMMISSION OF OIL ADVISERS, SO THAT THEY--U.S. EXECUTIVES AND PRESIDENT PEREZ'S ADVISERS--HOPEFULLY CAN WORK OUT JOINT ARRANGEMENTS FOR THE ONWARD PRODUCTION OF PETROLEUM FOR THE US. MARKET WITH PROPER PROTECTION FOR THE US. INVESTMENT INVOLVED.

5. I SUBMIT THAT THIS IS IN OUR NATIONAL INTEREST, IN VIEW OF THE NECESSITY OF A CONTINUING AND SURE SUPPLY OF PETROLEUM FROM VENEZUELA, WHICH--UNLESS INTELLIGENT AGREEMENTS ARE MADE--MIGHT BE SEVERELY DIMINISHED EITHER THROUGH HANDICAPPED NEGOTIATION OR THROUGH NATIONALISTIC MEASURES IMPOSED BY A GOVERNMENT WHICH HAS NO LACK OF MONEY.
MCCLINTOCK

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NNN

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